

Message Text

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61

ORIGIN OPIC-12

INFO OCT-01 EA-11 ADP-00 EB-11 AID-20 /055 R

66651

DRAFTED BY:OPIC/F:JSPOTTER

APPROVED BY:EB/IFD/OIA:MKENNEDY

EB/IFD/OIA:WHCOURTNEY

EA/PHL:RWILLNER(SUB)

OPIC/GC:CLIPMAN

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R 132126Z AUG 73

FM SECSTATE WASHDC

TO AMEMBASSY MANILA

UNCLAS STATE 160064

FOR J. K. CULMAN TDY MISSION

E.O. 11652: N/A

TAGS: EFIN

SUBJ: UNITED COCONUT

1. RECEIVED TELEX FROM JORDAN STATING THE HE WOULD BE GLAD TO ACCOMPANY YOU TO MANADO AND INTENDS LEAVING TUESDAY, AUGUST 28. SUGGEST YOU CONFIRM IN SINGAPORE AT UNITED'S OFFICE THERE.

2. JORDAN ALSO ASKED ABOUT REQUESTED CHANGES IN AGREEMENTS (THE ONES MENTIONED IN LIPMAN'S TRIP REPORT) AND MENTIONED WE SHOULD DISCUSS WITH PARKER. LIPMAN AND POTTER MET WITH PARKER AND MOST OF TIME WAS SPENT ON VOTING RIGHTS ON BOARDS OF COMMISSIONERS AND DIRECTORS. JORDAN IS APPARENTLY VERY WORRIED THAT HE MIGHT GET SQUEEZED OUT, ESPECIALLY BY PICA AND POLECO JOINING TOGETHER. WHILE OPIC IS HARDLY IN POSITION TO PARTICIPATE IN THIS TYPE OF A MANAGEMENT ISSUE, IT WOULD PROBABLY BE USEFUL TO LISTEN TO JORDAN'S STORY AND HOLD HIS HAND A BIT. DISCUSSION WITH PICA WOULD ALSO BE HELPFUL.

3. FOLLOWING MEETING WITH PARKER, SENT FOLLOWING TELEX TO JORDAN.

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"1. DRAFT AMENDMENT OF AGREEMENT FOR TECHNICAL ASSISTANCE ACCOMPANYING TOM WOODHOUSE'S LETTER TO YOU DATED JULY 30, 1973, INCORPORATING REVISIONS AS TO PAYMENTS UNDER SECTIONS 4(C), 4(D) AND 5 IS ACCEPTABLE.

2. INCREASE OF \$6,600 IN HOME OFFICE SUPPORT ALLOWANCE UNDER SECTION 4(A) OF THE TECHNICAL ASSISTANCE AGREEMENT IS ACCEPTABLE.

3. FEEL IT IS PREMATURE TO CONSIDER MODIFICATION OF WORKING CAPITAL REQUIREMENT IN OVERRUN AGREEMENT.

4. DO NOT WISH TO REDUCE SHARE RETENTION OBLIGATION OF UNITED U.S. AT THIS TIME.

5. RECOGNIZE FINANCIAL BURDEN OF LIFE INSURANCE PREMIUMS, BUT ALSO FEEL COVERAGE IS VERY IMPORTANT AT THIS TIME. CULMAN WILL DISCUSS POSSIBILITY OF MODIFICATION WITH PICA.

6. AM SURE YOU REALIZE DIFFICULTY OF OUR AGREEMENT AT THIS POINT TO A POSSIBLE CHANGE IN THE VOTING RIGHTS ON THE BOARDS OF COMMISSIONERS AND DIRECTORS. WOULD ENCOURAGE OPEN DISCUSSION AMONG YOU, PICA, OTHER SHAREHOLDERS AND OURSELVES TO EXTENT THAT IT WILL CONSTRUCTIVELY HELP TO REACH A BETTER UNDERSTANDING AND WE WOULD CERTAINLY COOPERATE SO THAT MANAGEMENT ARRANGEMENT AGREEABLE TO ALL PARTIES, BUT DON'T WANT TO TAKE SIDES ON THE MATTER AT THIS TIME. WE HAVE A HIGH REGARD FOR PICA AND HAVE NO DOUBT THAT THEIR POSITION ON POLICY DECISIONS WILL BE SOUND. WE DON'T WANT TO CLOSE THE DOOR ON YOU IN THIS MATTER, ALL OF US RECOGNIZE YOUR IMPORTANCE IN THE PROJECT, BUT AT THIS TIME NOTHING HAS BEEN BROUGHT TO OUR ATTENTION THAT WOULD INDICATE THAT YOUR POSITION HAS BEEN UNREASONABLY DIMINISHED OR THAT PRESENT VOTING ARRANGEMENT WILL BE DETRIMENTAL TO PROJECT."

4. ON ANOTHER MATTER, RECEIVED FROM JORDAN ON AUGUST 10 COPY OF LETTER HE WROTE TO GENERAL CONTRACTOR OUTLINING DEFICIENCIES IN WORK. SOME LOOK RATHER SERIOUS. SUGGEST YOU CHECK WITH PICA ON THIS AS THEY HAVE COPY OF LETTER AND ALSO PROBABLY AWARE OF THESE PROBLEMS THRU THEIR OWN INSPECTIONS. ROGERS

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